



Heather Shirley Smith
Deputy General Counsel

Duke Energy
40 W. Broad Street
Suite 690
Greenville, SC 29601

o: 864.370.5045
f: 864.370.5183

heather.smith@duke-energy.com

March 18, 2020

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk and Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

**RE: Duke Energy Carolinas, LLC's and Duke Energy Progress, LLC's and
Piedmont Natural Gas Company, Inc.'s Action in Response to Concerns
Stemming From COVID-19 (Coronavirus) and Support of ORS Motion
Docket: 2020-106-A**

Dear Ms. Boyd:

Duke Energy Carolinas, LLC ("DEC"), Duke Energy Progress, LLC ("DEP") and Piedmont Natural Gas Company, Inc. ("Piedmont") (DEP, DEC and Piedmont collectively referred to as the "Companies") hereby inform the Public Service Commission of South Carolina ("Commission") of the Companies' support of the motion for certain waivers filed by the Office of Regulatory Staff ("ORS") on March 16, 2020 in Docket No. 2020-106-A. The Companies remain committed to working with all customers who need assistance with their energy bills to avoid creating additional hardships for customers. We recognize that the COVID-19 Pandemic could potentially create financial hardships for many of our customers and local communities.

To that end, the Companies recently announced that they will not disconnect any customer's service for non-payment. The Companies will continue to read meters and send bills, but this action will give customers experiencing financial hardships extra time to make payments. The Company is also tailoring its late payment, deposit and reconnect policies to address the needs of affected customers and continuing to offer payment arrangements to customers as has been the practice of the Companies. If any additional waivers are required to effectuate the Companies' actions in the future other than those requested by ORS, the Companies will file accordingly.

DEC and DEP are also changing some of their processes related to energy efficiency audits. In an effort to protect employees, vendors, and customers and to minimize interactions, DEC and DEP will be rescheduling all appointments related to their energy efficiency programs that require direct customer interaction by DEC and DEP representatives to visit a customer's

home or business, unless deemed critical. DEC and DEP will work to accommodate customers schedules and minimize the inconvenience of this rescheduling.

Other updates which may be of Commission interest are as follows:

- **Call Center:** The Companies are taking great care to ensure that the customer call center is receiving these policy updates for communicating with customers and repositioning stations with distance between work stations to aid in continuity of service in a safe manner.
- **Nuclear sites:** DEC and DEP have instituted thermal screening procedures at all of our nuclear sites and screening workers. We are working to extend this policy to other facilities over the coming days as preventive measures to continue to ensure the health and safety of our employees.
- **Remote work:** Our focus remains on protecting the health of our employees and maintaining safe operations as we continue to respond to the impact of COVID-19. On March 16, 2020, the Companies shifted a significant portion of its workforce to remote work. Non-essential travel and in person meetings have been suspended. The Companies are also educating employees about additional cybersecurity protections and cautions.
- **Financing challenges:** Like other utilities, the Companies usually meet their daily and short-term capital needs by borrowing in the commercial paper market. Longer term financing needs are typically funded by accessing the bank market and the long-term debt and equity capital markets. The financial markets have experienced significant volatility and periods of illiquidity in the wake of the Covid-19 emergency. In particular, the commercial paper market has experienced significant dislocation with large sums of capital being withdrawn from this market at the same time corporate borrowers have increased needs in accessing this market. Without commercial paper availability, the Companies' ability to effectively fund our operations on a short-term basis is limited. While other sources of longer-term capital such as the ones listed above can replace commercial paper on a temporary basis, these alternatives typically come at a higher cost of capital when compared to short-term borrowings through commercial paper. We have been working with government officials to ask the Treasury Department to ease the strain in the commercial paper markets much like they did in 2008. Additionally, we are looking at curtailing non-essential activities in order to minimize cash needs.

Finally, as of this letter, **the Companies do not have any confirmed employee or contractor COVID-19 cases or confirmed direct exposures**, and we continue to take action to keep our employers, customers and communities as safe as possible.

The Honorable Jocelyn G. Boyd

March 18, 2020

Page 3

Things are changing rapidly, and we continue to monitor impacts and make operational decisions accordingly. The Companies will keep the Commission, the ORS and customers informed as to our actions.

Sincerely,



Heather Shirley Smith

cc: Nanette Edwards, Office of Regulatory Staff (via email)
Jeff M. Nelson, Esq. Office of Regulatory Staff (via email)
Jenny Pittman, Esq. Office of Regulatory Staff (via email)
Becky Dover, Esq., SC Dept of Consumer Affairs (via email)
Carri Grube Lybarker, Esq., SC Dept of Consumer Affairs (via email)